Bank Frauds

233. DR. SHYAM SUNDAR MOHAPATRA:

SHRI V. GOPALSAMY:

Will the Minister of FINANCE be pleased to state:

(a) what is the number of bank frauds detected in each of the nationalised banks during the last three years, yearwise and bankwise;

(b) what is the number of employees involved in such frauds in each bank during the same period, yearwise and bank-wise;

(c) what is the amount of loss suffered by each nationalised bank as a result thereof, yearwise;

(d) how many bank officials were compulsorily retired during the last three years, yearwise and bankwise; and

(e) whether in view of the increasing number of bank frauds, Government propose to keep a close watch on bank staff and review their performance at intervals?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) Information regarding the number of cases of frauds reported by the 28 public sector banks to RBI during the years 1983, 1984 and 1985 is given in the statement (*see below*)

(b) RBI has reported that as per available information based upon reports from the public sector banks during the years 1983, 1984 and 1985, 50, 32 and 27 employees were convicted and 559, 478 and 387 employees were awarded major or minor penalties respectively.

(c) The amounts involved in respect of these frauds do not necessarily represent the loss which the banks may have to ultimately suffer as the banks do hold some security both primary and or collateral in a number of cases which would be adjusted against the amounts due. Banks also take resource to civil and criminal action and also hold insurance policies in many cases. Only after all these courses are exhausted, banks would be in a position to determine the actual loss. The actual amount of losses in respect of these frauds is not therefore available.

(d) As per available information, 91 bank officials of all categories were retired compulsorily during 1985.

(e) The banks have been instructed to gear up the vigilance machinery in the organisation and to improve procedures and systems so that frauds can be prevented. Accordingly, the banks are taking steps to strengthen control mechanisms and to improve management information systems as also effective follow-up action. Clearance of arrears in balancing of books and in reconciliation of inter-branch and the accounts are also being undertaken on a continuous basis so as to prevent frauds in those areas. Information is also circulated by RBI to banks giving details of noval methods of frauds and advising banks to adopt necessary safeguards. Books of instructions are also circulated by banks amongst their staff indicating precautions/checks which should be observed to prevent occurrence of frauds.

Apart from the above steps banks are also carrying out reviews of the performance of bank officials as per provisions contained in the relevant service regulations.

Statement

Information regarding the number of cases of frauds reported by 28 public sector banks to Reserve Bank of India during the Years 1983, 1984 and 1985.

Sl. No.	Name of the Bank	1983	1984	1985
1.	State Bank of India and its Associates	632	847	643
2.	*20 Nationalised Banks*			
	1. Allahabad Bank	23	24	95
	2. Andhra Bank	48	38	34
	3. Bank of Baroda	188	198	97
	4. Bank of India	185	182	111
	5. Bank of Maharashtra	21	40	36
	6. Canera Bank	194	163	157
	7. Central Bank of India	90	105	108
	8. Corporation Bank	34	32	50
	9. Dana Bank	56	51	59
	10. Indian Bank	40	42	60
	11. Indian Overseas Bank	133	101	82
	12. New Bank of India	20	13	16
	13. Oriental Bank of Commerce	17	16	14
	14. Punjab National Bank	285	288	292
	15. Punjab & Sind Bank	28	22	14
	16. Syndicate Bank	114	94	103
	17. Union Bank of India	100	91	83
	18. United Bank of India	33	13	28
	19. UCO Bank.	74	75	30
	20. Vijaya Bank	56	34	47
		2371	2469	2189

Data Provisional.

Officers and Staff working in the branches of Natlinalised Bank Abroad

234. SHRI L. GANESAN:

SHRI V. GOPALSAMY:

Will the Minister of FINANCE be pleased state:

(a) what is the number of officers and staff, separately, at present working in the various branches of nationalised banks abroad bankwise;

(b) how many of them have completed five years service abroad, bank-wise;

(c) whether Government propose to recall all those officials who have completed five years of service abroad, bank-wise;

(d) if not what are the reasons therefor?